

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

THE NEW YORKER MAGAZINE, INC.

ANNUAL REPORT
1959



THE NEW YORKER MAGAZINE, INC.

TO THE STOCKHOLDERS:

We present herewith the financial statement of The New Yorker Magazine, Inc., for the year 1959, together with some figures comparing 1959 with the preceding four years.

In advertising volume, 1959 saw a new record set, with a gain of 491 pages, bringing the total for the year to 5,340. Any future increases in this volume will have to come during what have been our comparatively slack midsummer and midwinter periods, as our issues in the period between Labor Day and Christmas last year taxed our productive capacity to the utmost, even with diligent efforts to keep the size of our issues within reasonable and practicable bounds.

Our circulation inched forward from an average of 424,339 copies per week in 1958, to 428,277 copies in 1959. Our only active attempts to augment the circulation were two: our annual offer during the Christmas season of a modest discount on multiple orders, and an offer to undergraduate students of an eight-month subscription at a discount.

With an increase in our advertising, our costs and our taxes naturally increased as well. However, our net profit for the year stood at a new high and the dividends paid to our stockholders amounted to a million dollars in a year for the first time.

Our advertising volume as already run and on order for 1960 augurs a further increase in 1960, subject to the limitations during our peak season, mentioned above.

Our newsstand circulation picture for the future is somewhat clouded by a pending action of the Federal Trade Commission against certain long-established practices in newsstand distribution. Any adverse effects of this will, we believe, apply not only to The New Yorker, but to virtually all major magazines.

In 1954, the Company's profits exceeded those of the year 1946, which had been the previous high point. Since 1954 we have each year shown an increase

over the previous year—so that one might get to believe an increase in profits is a routine matter. However, adjusting our periscope to its full length, it seems to the management that in view of a number of adverse factors, the likelihood is that 1960 profits will not equal the 1959 figure.

Effective with the beginning of 1960, the Morgan Guaranty Trust Company of 140 Broadway, New York, was appointed transfer and dividend disbursing agent for the stock of The New Yorker Magazine, Inc.

Any questions about any of the foregoing or any other phase of our business are welcome and will be answered to the best of our ability.

Respectfully submitted,
R. H. FLEISCHMANN,
Chairman

February 26, 1960

S. B. BOTSFORD,
President

COMPARATIVE FIGURES

Below are some comparative figures on various phases of our business, covering the past five years:

	1959	1958	1957	1956	1955
Average					
net paid circulation	428,277	424,339	420,025	413,962	396,208
Circulation income	\$2,798,548	\$2,782,238	\$2,699,246	\$2,622,053	\$2,557,875
Advertising pages	5,340	4,849	4,983	4,935	4,529
Advertising income	\$14,860,692	\$13,301,190	\$12,812,577	\$11,809,501	\$10,383,803
Expenses	\$13,564,639	\$12,484,222	\$12,274,743	\$11,411,391	\$10,296,709
Taxes (a)	\$2,201,500	\$1,935,300	\$1,725,000	\$1,602,200	\$1,395,027
Net Profit	\$1,985,785	\$1,751,015	\$1,604,757	\$1,480,416	\$1,313,092
Profit per share (b)	\$7.29	\$6.44	\$5.93	\$5.50	\$4.90

(a) Federal Taxes on Income. Other taxes included in "Expenses."

(b) Per share of stock issued, less stock held in treasury.

BALANCE SHEET

DECEMBER 26, 1959

ASSETS

CURRENT ASSETS:

Cash		\$5,710,793
United States Government securities, including \$900,000 par value of tax anticipation bills (Market value \$1,010,018).....		1,032,767
Accounts receivable, advances, etc.....	\$1,583,448	
Less estimated cash discounts, returns and doubtful accounts....	94,620	1,488,828
Inventories at cost:		
Drawings, manuscripts and engravings.....	\$ 463,088	
Paper, stationery and supplies.....	730,744	1,193,832
		<u>\$9,426,220</u>

STATE AND MUNICIPAL OBLIGATIONS AND CASH SEGREGATED TO APPLY AGAINST THE LIABILITY FOR UNEARNED SUBSCRIPTION REVENUE—PER CONTRA (securities are at cost which is approximate market value)		1,500,000
--	--	-----------

FURNITURE, EQUIPMENT AND AUTOMOBILES (less depreciation of \$144,345).....		174,415
"THE NEW YORKER" TRADE NAME.....		1
DEFERRED CHARGES TO FUTURE OPERATIONS.....		576,328
		<u>\$11,676,964</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$1,064,806	
Taxes payable (other than Federal income tax).....	269,056	
Federal income tax.....	1,276,500	\$2,610,362

LIABILITY FOR UNEARNED SUBSCRIPTION REVENUE.....		1,633,168
--	--	-----------

CAPITAL STOCK:

Authorized—300,000 shares at \$10 par value each		
Issued—283,647 shares, less 11,083 shares held in treasury.....		2,725,640

SURPLUS:

Capital surplus	\$ 869,600	
Earned surplus	3,838,194	4,707,794
		<u>\$11,676,964</u>

INCOME ACCOUNT

FOR THE FISCAL YEAR ENDED DECEMBER 26, 1959

INCOME:

Gross revenue from advertising, subscriptions, newsstand sales and miscellaneous sources.....	\$17,751,924
--	--------------

EXPENSES:

Cost of producing and distributing the magazine and of securing advertisements and subscriptions.....	\$12,029,740	
General and administrative.....	1,534,899	13,564,639
		\$ 4,187,285
<i>Deduct</i> —Federal income tax.....		2,201,500
Net income, carried to surplus.....		\$ 1,985,785

SURPLUS ACCOUNT

FOR THE FISCAL YEAR ENDED DECEMBER 26, 1959

	<i>Capital Surplus</i>	<i>Earned Surplus</i>	<i>Total</i>
Balance, December 27, 1958.....	\$804,210	\$2,939,480	\$3,743,690
<i>Add:</i>			
Excess of value of treasury stock issued for services over par value thereof.....	65,390		65,390
Net income for the year ended December 26, 1959....		1,985,785	1,985,785
	\$869,600	\$4,925,265	\$5,794,865
<i>Deduct:</i>			
Dividends declared and paid at the rate of \$4.00 per share		1,087,071	1,087,071
Balance, December 26, 1959.....	\$869,600	\$3,838,194	\$4,707,794

MAIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

233 Broadway

NEW YORK 7, N. Y.



February 15, 1960

TO THE PRESIDENT AND DIRECTORS OF
THE NEW YORKER MAGAZINE, INC.

In our opinion, the accompanying statements present fairly the financial position of The New Yorker Magazine, Inc. at December 26, 1959 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

MAIN AND COMPANY

THE NEW YORKER MAGAZINE, INC.

OFFICERS

R. H. FLEISCHMANN	<i>Chairman of the Board</i>
S. B. BOTSFORD	<i>President</i>
E. R. SPAULDING	<i>Vice-President</i>
R. HAWLEY TRUAX	<i>Vice-President</i>
PETER F. FLEISCHMANN	<i>Treasurer</i>
M. L. FRIES	<i>Secretary & Comptroller</i>

DIRECTORS

S. B. BOTSFORD	ALFRED H. HETKIN
RAYMOND B. BOWEN	A. J. RUSSELL, JR.
PETER F. FLEISCHMANN	WILLIAM SHAWN
R. H. FLEISCHMANN	E. R. SPAULDING
R. HAWLEY TRUAX	

